

BlockFi Trading LLC

Debtor

22-19363

Reporting Period: November 28 - 30, 2022

**AMENDED MONTHLY OPERATING
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AMENDED MONTHLY OPERATING REPORT

Notes to the Amended Monthly Operating Report

This report includes activity from the following Debtor and its related Case Number:

Debtor	Case Number
BlockFi Trading LLC	22-19363

Notes to Amended MOR:

This Monthly Operating Report has been modified to reflect recommendations received from the US Trustee related to the presentation of certain cash receipts and disbursements for the reporting period.

On November 28th, 2022 (the “Petition Date”), BlockFi Inc. and eight of its affiliates (collectively, the “Debtors” or the “Company”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On November 28, 2022, the court entered an order [Docket No. 18] authorizing joint administration and procedural consolidation of these Chapter 11 cases pursuant to Bankruptcy Rule 1015(b) under the lead case *In re BlockFi Inc., et al.*, Case No. 22-19361. On December 21, 2022, the United States Trustee for the District of New Jersey (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Creditors Committee”) [Docket No. 131]. No request for the appointment of a trustee or examiner has been made in these Chapter 11 cases.

BlockFi Trading LLC (the “Debtor”) is a Delaware Limited Liability Company, formed on May 28, 2019. BlockFi Trading LLC was organized to offer BlockFi’s clients a platform to obtain digital currency in exchange for other digital currency or in exchange for US dollars, as deposited on the BlockFi platform. This is a direct exchange of virtual currency between BlockFi Trading and the client and does not involve third party intermediaries. BlockFi Trading is registered as a money services business with the Financial Crimes Enforcement Network of the U.S. Department of Treasury and holds money transmitter licenses in various states and the U.S. Territory of Puerto Rico.

The Debtors are filing their Monthly Operating Report solely for the purposes of complying with the monthly operating report requirements applicable in the Debtors’ Chapter 11 cases. The financial and supplemental information contained herein is presented on a preliminary and unaudited basis, remains subject to future adjustments, and may not comply in all material respects with generally accepted accounting principles in the United States of America (“U.S. GAAP”) or International Financial Reporting Standards (“IFRS”). This Monthly Operating Report should not be relied on by any persons for information relating to future financial conditions, events, or performance of any of the Debtors or their affiliates.

The financial information has been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with U.S. GAAP or IFRS, and upon application of such procedures, the Debtors believe that the financial information could be subject to changes, which could be material. The information furnished in this

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report includes primarily normal recurring adjustments but does not include all adjustments that would typically be made for financial statements prepared in accordance with U.S. GAAP or IFRS.

The preparation of the Financial Statements and MOR required the Debtors to make commercially reasonable estimates and assumptions with respect to the reported amounts of assets and liabilities, the amount of contingent assets and contingent liabilities at month end, and the reported amounts of revenues and expenses during the applicable reporting periods. Actual results could differ from such estimates.

All information presented has been translated using prevailing prices as of UTC 23:59:59 as of the applicable period end. When determining the prices for digital assets and liabilities, the Company assesses the principal market in which to sell the digital assets or in the absence of a principal market, the most advantageous market. Market prices for such assets and liabilities may be volatile and not be readily ascertainable. In addition, the Company's ultimate realized value will be based on outcomes that are difficult to predict and outside of the control of the Company. As a result, amounts ultimately realized by the Company may differ from the fair values presented.

Client balances reflected in the financial statements and this Monthly Operating report are as of UTC 1:15:00 on November 11, 2022 (20:15:00 prevailing Eastern Time on November 10, 2022).

The Debtors reserve all rights to amend or supplement this Monthly Operating Report in all respects, as may be necessary or appropriate. Nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their Chapter 11 cases.

Debtor Full-Time Employees:

This MOR includes the number of full-time employees as of the Petition Date and November 30. As described in the Wages Motion [Docket No. 16], the Debtors also employ Independent Contractors located outside of the United States, whose salaries and benefits are included in the payroll amounts included in the MOR for the employing debtor entity.

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Notes to MOR Part 1

For the avoidance of doubt, the bank accounts, cash balances and associated cash receipts and disbursements set forth do not include cash held in the “for the benefit of” accounts (“FBO Accounts”) as described in the *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor Withdrawals from Wallet Accounts, (B) Update the User Interface to Properly Reflect Transactions and Assets as of the Platform Pause, and (C) Conduct Ordinary Course Reconciliation of Accounts, and (II) Granting Related Relief* (the “Wallet Withdrawal Motion”) [Docket No. 121]. As discussed in the Wallet Withdrawal Motion, the Debtors do not have a legal or equitable interest in the cash held in the Wallet Accounts; such held funds are owned by the Debtors’ clients. Note that digital assets attributable to Wallet Accounts are separately captured in Part 2 under Inventory (2c).

Notes to MOR Part 2 & MOR Part 4

The information contained in MOR Part 2 & MOR Part 4 is provided to fulfill the requirements of the Office of the United States Trustee. All information contained in MOR Part 2 & MOR Part 4 is unaudited and subject to future adjustment.

Accounts receivable (2a) includes intercompany receivables between BlockFi entities (“Intercompany Receivables”).

Inventory (2c) includes digital assets held in custody at entities which are not undergoing their own bankruptcy proceedings, and thus excludes digital assets BlockFi holds with FTX.com.

Post-petition payables (2f) include general accounts payable and other accrued expenses and liabilities, inclusive of post-petition interest accrued for the BlockFi Interest Account and BlockFi Private Client open term and fixed term accounts as well as collateral posted to BlockFi by borrowers.

Selling expenses (4d) and General and Administrative expenses (4e) reflect the utilization of discounts and pre-payments thus creating contra expenditures in certain instances.

Other expenses (4f) reflects the impact of price changes during the stub period for digital asset translation adjustments.

AMENDED MONTHLY OPERATING REPORT

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Notes to MOR Part 7

Pursuant to certain orders of the Court in the Chapter 11 cases entered shortly after the Petition Date [Docket Nos. 43-44, 49, 50-52, and 55] (collectively, the “First Day Orders”), the Debtors were granted authority to pay certain outstanding prepetition payables, including payments outlined in the Cash Management, Tax, Utility, Insurance, Critical Vendor, and Wage Motions [Docket Nos. 7, 9-11, 13, and 16, respectively].

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AMENDED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Debtor name:	BlockFi Trading LLC
Case number:	22-19363
CASH BEGINNING OF PERIOD	\$ 10,010,488
RECEIPTS	
Receipts	307
Net Transfers	70,490
TOTAL RECEIPTS	70,797
DISBURSEMENTS	
Operating Disbursements	66,490
TOTAL DISBURSEMENTS	66,490
NET CASH FLOW	
(RECEIPTS LESS DISBURSEMENTS)	4,307
CASH END OF MONTH	\$ 10,014,795

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PART 2
BALANCE SHEET (UNAUDITED)

Debtor name:	BlockFi Trading LLC
Case number:	22-19363
Line item	Current Period
ASSETS	
Cash	\$ 14,795
Restricted Cash	10,000,000
TOTAL ASSETS	10,014,795
LIABILITIES AND MEMBERS' CAPITAL	
LIABILITIES	
Intercompany Payable to Affiliate Entities	4,979,242
Accrued Expenses & Other Liabilities	18,400
TOTAL LIABILITIES	4,997,642
MEMBERS' CAPITAL	
Members' Capital	5,017,153
TOTAL MEMBERS' CAPITAL	5,017,153
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 10,014,795

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PART 4
STATEMENT OF OPERATIONS (UNAUDITED)

Debtor name:	BlockFi Trading LLC
Case number:	22-19363
Line Item	Current period
REVENUES	
Trading Revenue, Net	\$ -
TOTAL REVENUE	-
OPERATING EXPENSES	
General and Administrative	-
TOTAL OPERATING EXPENSES	-
OTHER OPERATING INCOME	
Principal Transactions	17,153
TOTAL OTHER OPERATING INCOME	17,153
NET PROFIT / (LOSS)	\$ 17,153

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11/30 BANK ACCOUNTS

Entity name:	Bank name	Account type	Account number (last four digits)	Period-end bank balance	Currency
BlockFi Trading LLC	Silvergate	Wire Deposit Receive Account	-8523	\$ 14,795	USD
BlockFi Trading LLC	Silvergate	Trading LLC Consolidation Account	-8531	0	USD
BlockFi Trading LLC	Silvergate	Wire Deposit Remit Account	-2277	0	USD
BlockFi Trading LLC	Silvergate	ACH Deposit Receive Account	-4704	0	USD
BlockFi Trading LLC	Silvergate	ACH Chargeback Reserve Account	-4712	10,000,000	USD
BlockFi Trading LLC	Silvergate	ACH Deposit Remit Account	-6799	0	USD
BlockFi Trading LLC	Silvergate	Trading SEN Account	-8549	0	USD
BlockFi Trading LLC	Silvergate	Checking	-7937	0	USD
BlockFi Trading LLC	Silvergate	SEN to 7937	-7945	0	USD
Total Debtor Amount				\$ 10,014,795	USD